



STATE MEDICAID P&T COMMITTEE MEETING  
THURSDAY, May 31, 2007  
7:00 a.m. to 8:30 a.m.  
Cannon Health Building  
Room 132



## MINUTES

**Committee Members Present:**

Lowry Bushnell, M.D.  
Karen Gunning, Pharm. D.  
Jerome Wohleb, Pharm. D.

Kort DeLost, R.Ph.  
Raymond Ward, M.D.

**Board Members Excused:**

Koby W. Taylor, Pharm. D.

**Dept. of Health/Div. of Health Care Financing Staff Present:**

RaeDell Ashley  
Jennifer Zeleny

Duane Parke  
Lisa Hulbert

**Other Individuals Present:**

Ben Forbes	Elizabeth Stoltz, J&J	Alan Bailey, Pfizer
Cap Ferry, LEC	Reed Murdoch, Wyeth	Chris Beckwith, U of U
Tom Holt, Schering-Plough	Mandy Hosford, AstraZeneca	Tracey Meeks, Amylin
Robin Campbell, Merck/Schering-Plough	Roy Lindfield, Schering	Gerry Shioshita, Schering
Linda Craig, AstraZeneca	Brett Brewer, EMD Serono	Craig Boody, Lilly
Trish McDaid-O'Neill, AstraZeneca	Fran Gander, AstraZeneca	Gary Oderda, U of U
Linda Tyler, U of U		

Meeting conducted by: Duane Parke, P&T Committee Manager

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1. Welcome - Introduction: Duane Parke addressed the committee. The pharmacy team for the Medicaid program has asked Duane Parke to be the manager of the P&T Committee. P&T Committee members and Medicaid representatives present at the meeting were asked to introduce themselves. Jerome Wohleb is the Director of Pharmacy Services in the Urban South Region of Intermountain Healthcare. He has been a pharmacist for over 20 years and represents hospital pharmacy on the P&T Committee. Karen Gunning is a pharmacist with the University of Utah College of Pharmacy and School of Medicine in the department of Family Medicine. She has served on the DUR Board in the past. RaeDell Ashley is the pharmacy manager for Medicaid. Dr. Lowry Bushnell is a psychiatrist at the University of Utah and a past member of the DUR Board. Dr. Ray Ward is a family practice doctor in private practice in Bountiful. Lisa Hulbert is a pharmacist with Medicaid. Jennifer Zeleny is a pharmacy technician with Medicaid. Kort Delost is an independent pharmacist who

owns the Medicine Shoppe in Bountiful. There is one more pharmacist with Medicaid, Tim Morley, that was excused from the meeting. Medicaid also needs to fill two positions on the P&T Committee. But, Senate Bill 42 that was passed during this last legislative session included a short deadline; in order to meet this deadline, Medicaid needs to put some of the mechanics in place. To that end, the Committee that has been empaneled today needs to start this process.

The Goal of the P&T Committee is to put together a Preferred Drug List (PDL) with evidence-based Medicine using the Oregon model. The P&T Committee will use the evidence-based documents provided by Oregon Health Sciences University, the University of Utah Drug Information Center, and whatever other evidence-based documents that are deemed necessary by the P&T Committee. The goal, if all else is equal within a therapeutic class, is to seek the best price. Medicaid already prices the drug reimbursements at Medicaid levels and receives primary rebates. The goal with the PDL prices is to seek secondary rebates. When sensitive pricing issues are being discussed, the meeting will be closed because this information is confidential. Board members must sign a confidentiality agreement and a conflict of interest statement, because Medicaid understands that pricing information and secondary rebates are extremely sensitive.

Medicaid did a survey of all of the states. Medicaid heard back from approximately forty states with PDLs, and they all have Prior Approvals. Medicaid is the last third-party payer in Utah to adopt a PDL or formulary. Medicaid has joined the Sovereign States Drug Consortium (SSDC) - a group of three states that do price negotiations directly with drug manufacturers. With Utah joining this group, SSDC will approach a million covered lives, which gives SSDC more purchasing power than any individual state.

2. Business:

- Review of Senate Bill 42: Duane Parke addressed the Committee. The Bill, which was sponsored by Dr. Alan Christensen, provides for a PDL, and it provides for reporting back in August of 2008 to show what savings Medicaid has or has not achieved with the PDL. Any savings achieved has been earmarked for the dental program. The residual would go into physician reimbursement rates.
- Organization and Operation: Duane Parke addressed the Committee. Medicaid was asked to have the PDL in place by August. The intent of the bill is to have the PDL in place without Prior Authorization. It says that the doctor has to manually write on the prescription "Medically Necessary - Dispense as Written" and document it in the patient's chart.

Medicaid has been able to rely on the Point of Sale programs to adjudicate claims and has had one of the best Point of Sale Systems in the nation. Medicaid plans to implement this through the Point of Sale System to enforce the PDL by requiring the pharmacist to enter a code for "Dispense as Written" and "Medically Necessary" through the Point of Sale System. If those two fields are not entered correctly, the claim will deny. Whether this lax system will achieve any savings remains to be seen. This is why Medicaid will report back.

The Committee asked how this will be enforced. If the prescription does not have "Medically Necessary - Dispense as Written" the pharmacist will need

to contact the prescriber.

- Review R414-60B: Duane Parke addressed the committee. After the Senate Bill was passed, Medicaid needed to write a new rule. That is rule R414-60B. The hearing for this rule will take place on June 25, 2007 at 3:30PM in Room 114. That hearing will also consider R414-60A, which pertains to the DUR Board.

Rule R414-60B is the PDL rule. It defines the makeup of the P&T Committee, defines the coverage, and defines the responsibilities and functions of the Committee. Typically the P&T Committee will select a drug class for review. The first two classes that have been selected by Medicaid are PPI's and Statins. The function of the P&T Committee is to determine whether or not drugs in an existing class are equally efficacious; if they are, the meeting will go into a closed-door session to discuss price. Oregon has put out evidence-based reviews for these two drug classes.

The Committee was asked what they wanted to look at beyond the Oregon sets or University of Utah evidence based reviews for these drug classes. The P&T Committee asked for Medicaid's usage data for the drug classes that are under consideration. Medicaid can provide this data a number of different ways from the Data Warehouse, and will provide it at the Committee's request. The Committee also requested utilization data from the highest-cost drug classes to be able to determine which drug classes should be considered for the PDL in the future.

Medicaid was also asked if there was a time schema for how often the P&T Committee was to meet and what deadlines have to be met between now and August of 2008. Medicaid's goal is to move as quickly as the P&T Committee can accommodate, and try to address one drug class per month in the meetings. Two classes that are exempt from the PDL are Atypical Antipsychotics, which are the highest-cost class, and their older counterparts. The PPI's and Statins are not the highest-cost classes in the Medicaid program, but they are probably the least challenging for both the clients and providers to adjust to the new PDL paradigm. The intent is that classes are phased in one to two classes at a time.

Medicaid will be utilizing a website to disseminate information dealing with the PDL. A letter has been sent to clients to inform them that Medicaid will be adopting a PDL. The Committee members feel that provider education is of key importance, if any savings is to be realized.

Medicaid is trying to find a ways to support this information to the physicians. Lisa Hulbert addressed the Committee. Medicaid is seeking a grant from the Federal Government to provide e-prescribing to select physicians as a pilot program. The size of the e-prescribing program would depend on the size of the grant that Utah could get. The Federal Government has made a number of Transformation Grants available to State Medicaid programs as part of the Deficit Reduction Act. They are encouraging State Medicaid programs to apply for grants for programs that deal with e-

prescribing and electronic health records. Utah Medicaid has already received one grant, where Medicaid is looking to do interventions, finding potential problems, sending out letters, providing academic detailing, making telephone calls in some severe situations, and providing classes to some of the clients who have disease states where there is potential for non-compliance or adverse events (e.g. diabetes, asthma, hypertension). Now the Federal Government is requesting a second round of grant proposals, and Utah Medicaid is going to request funding for an e-prescribing system. Medicaid would like to provide a system where a provider can check for drug interactions and disease states at the point of care.

RaeDell Ashley addressed the Committee. One other thing that the department is looking at is entering the PDL on a handheld device through Epocrates. This is surprisingly inexpensive for the State to buy and could be purchased outside of any grant. This program could be brought up very quickly for providers to be able to download for free. Dr. Ward stated that he would prefer Epocrates because many prescribers are already using it and it is preferable to getting another software program that may or may not interface with software that he already has. It is currently very widely used among physicians. Not all pharmacies are set up to receive e-prescribing. The e-prescribing tool that Medicaid is considering using CaduRx.

In addition to the letters that have gone out to the clients, Medicaid will send out Amber Sheets. Jennifer Zeleny was asked to describe the provider and client education that is being planned. So far, an Amber Sheet outlining SB 42 has been sent out. A very similar article has been placed in the July MIB. Once preferred agents are selected, a Data Warehouse query will be run to identify clients that are receiving non-preferred agents, so that client-specific letters informing them of their change in benefits and informing them what they need to do to either change to the preferred agent or continue to receive their medication. Preferred agents for each class will also be published on the Website and in the Amber Sheet. The Medicaid Pharmacy Services website has been referenced in everything that has been published so far. The Website is the most immediately available medium that Medicaid has for publishing and disseminating information. The URL is <http://health.utah.gov/medicaid/pharmacy>

4. Therapeutic Classes for PDL Consideration: Duane Parke addressed the Committee. The Committee was asked how much information they would like regarding the drug classes. The Committee asked for any substantive information on the drug classes that has been published since the Oregon evidence-based sets were published. The Committee felt that the information provided was a very good level of information, overall, and felt good about following the Oregon evidence-based criteria unless some real red flags were raised in these studies. Utilization data and cost data will also be helpful for the P&T Committee, and Medicaid does intend to provide this when it is available.

At the next meeting, the Committee will be provided with the top 12 to 15 categories both by cost and utilization, and ask the Committee to direct where they would like to go in the future.

The Committee asked for additional clarification on SB 42. Some Committee members felt that the requirement that medical necessity be documented in the patient's chart indicated the need for Prior Authorization on non-preferred agents. Duane Parke stated that Medicaid intends to audit claims after they are paid. However, the Legislative Intent is that Prior Authorization not be required before a claim is paid. The Attorney General has stated that Prior Authorization may not be required before a claim is paid. Medicaid does intend to audit pharmacies by requiring copies of prescriptions to ensure that "Medically Necessary - Dispense as Written" is written on the prescriptions. Faxes will be accepted. Medicaid will continue to comply with the Federal Regulations and provide a 72 hour emergency supply of non-preferred drugs, if necessary.

Medicaid intends to provide extensive education about this PDL process in Medicaid publications and through other professional organizations. The Committee suggested that the preferred agents are included in any rejection messages that are sent back to the pharmacy through the Point of Sale System.

5. Election of a P&T Committee Chairman and other Housekeeping: Duane Parke addressed the Committee.
  - The DUR Board recommended the first two classes for P&T Committee review.
  - Today we are meeting on a Thursday. Medicaid is open to changing this meeting day and time at the suggestion of the Committee. Dr. Bushnell suggested that Fridays or Wednesdays would be the most helpful for his schedule. Early in the morning is the best. Other Committee members stated that they were flexible, provided that the meetings ended by 8:30AM. The Committee suggested that they meet monthly. Once PDL classes are established, those classes will be reviewed as necessary; SSDC pricing contracts generally last two to three years. For the month of June, the meeting will be held on Friday, June 15<sup>th</sup>. Communication regarding the drug classes to be considered will be disseminated by email. Meeting dates and times will be addressed again once the full Committee is empaneled.
  - Election of P&T Committee Chairperson: Dr. Bushnell nominated Karen Gunning as Chairperson of the committee. Karen's knowledge and her ability to be forthright would be an asset to her in a leadership position of the P&T Committee. The nomination was seconded. Jerome Wohleb felt that election of a Chairperson should be deferred until the full Committee is empaneled. The Committee elected Karen Gunning as a temporary Chairperson, until the full Committee is empaneled.
  - The Committee asked how much a PDL could potentially save for the Medicaid program. Preliminary data taken to the Legislature has suggested that the PDL could potentially save \$10 Million. However, this figure had assumed that there would be a Prior Authorization in place.
  - Medicaid will be asking P&T Committee members to ask a Conflict of Interest Statement and a Confidentiality Agreement before the next meeting.

Next meeting set for Friday June 15, 2007  
Meeting adjourned.

